

**Notice No.:** RISK-2018-039

**Issue Date:** October 02, 2018

**Subject:** Policy for technical delays in transferring funds to Settlement Banks

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Notice to all Members,

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Pursuant to the DGCX By-Laws and Clearing Rules of the DCCC, the following policy will be implemented with immediate effect.

### **Background**

Clearing Members are required to take note that payment of “Daily Settlement Amounts” to DCCC must be made by no later than 08:00 hours Dubai time on T+1, as referred to in DCCC Rules E.3.3 relating to Daily Settlements.

The DCCC recognises that there may be delays in the receipt of “Daily Settlement Amounts”, primarily due to the non-alignment of banking days in the UAE and USA. To address this issue the DCCC has implemented a policy of temporary restriction of trading rights of the Clearing Member concerned, until such time as the relevant “Daily Settlement Amount” is received by DCCC.

Please note the detailed policy outlined below:

### **Policy**

1. Where a Clearing Member has failed to pay to DCCC the relevant “Daily Settlement Amounts” by 08:00 hours Dubai time on T+1, then:
  - a. DCCC will impose trading restrictions on the Clearing Member, which permits only the reduction of open positions held in the accounts of that Clearing Member. For the avoidance of doubt, this will include positions held on behalf of Clients. Give-up trades, position transfers and any other actions relating to trades/positions to be cleared by DCCC will only be accepted if they reduce the open position held by the Clearing Member.
  - b. The trading restrictions will be removed only:
    - i. Upon receipt of the relevant Daily Settlement Amount, in full, at the DCCC’s settlement bank(s); or
    - ii. Upon receipt of confirmed instructions that funds have been transmitted to the relevant Member’s DCCC’s settlement bank(s) for value the following trading day.
  - c. In the case of 1.b(ii) above, a hair-cut of 20% will be applied on the value of the payment instruction, and therefore the amount available for trading will be 80% of the value of the payment. The removal of trading rights is at the absolute discretion of the DCCC.

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2. If a Clearing Member has been unable to pay to the DCCC, the requisite “Daily Settlement Amount”, or provide confirmation that funds have been transmitted to the DCCC’s settlement bank for value the next trading day, then the Clearing Member shall be deemed not to have met the requirements set out in DCCC Rules E.3.3, and hence an “Event of Default” will have occurred as detailed in DCCC Rules H.1.(b).

This policy shall be effective on and from **02 October 2018**.

Members are requested to take note of the revisions above.

**For Dubai Commodities Clearing Corporation**

**Andrew Dodsworth**  
**Director – Operations and Risk**